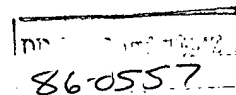


Central Intelligence Agency



Washington, D.C. 20505



DDA SUBJECT FILE COPY

20 March 1986

Mr. Richard Sturdy
Regulations and Policy Division
Federal Supply Service
General Services Administration
Washington, D. C. 20406

DDA RANSOM
FILE: 30-13

Dear Sirs:

We very much appreciate the opportunity to review the draft revision of per diem regulations. Obviously, a great deal of effort was devoted to producing this draft and, given the time available to the authors, we think this is a comprehensive document.

MORE BUREAUCRACY WHEN LESS IS WHAT'S NEEDED:

Unfortunately, even with the best of intentions, the GSA proposal adds more bureaucracy to the present system which is already somewhat cumbersome. On one end of the per diem continuum, there was at one time the possibility of "flat rate" per diem legislation. "Flat rate" represented a minimum in bureaucracy while providing adequate check-and-balance. For whatever reasons, "flat rate" was shelved. Resurrecting that concept, while desirable, is not intended here.

The current GSA proposal is on the other end of the continuum. The proposal itself and its implementation, though extremely thorough, is awkward, burdensome to implement and control, demands tighter review and controls, will likely trouble and confuse the traveler, will require both the system and traveler to be reeducated on a variety of rules, conditions, and rate amounts that seem unnecessary to us. In an era of budget constraints, time, and extra time, caused by reeducation, training, etc., as in the GSA-proposal, are equal to money. The rules have been carefully written to cover all bases and are skillfully crafted. The result of this excruciating attention to detail, however, we fear is a per diem system which simply cannot be well understood by travelers or easily managed by the review and accounting process.

NEW RATES - RIGHT ON:

The new per diem rate limits are a dramatic improvement over the present unrealistically low maximum amounts. We wonder why it is necessary to have some 407 per diem locations. It is clear that the costs of accommodations vary from city to city, and the limit for reimbursement should recognize these differences. However, we find the extensive list of rated cities unduly "precise." In our opinion, it would be more efficient for administration, and less confusing and confounding to travelers, if this list were consolidated to a few groupings of rates. See example below:

FIGURE I

	<u>M&MS</u>	<u>Lodging</u>	<u>Maximum Per Diem</u>
Standard City	23	27	50
Group A	25	40	65
Group B	30	60	90
Group C	35	80	115
Group D	40	90	130

Also, the lumping of certain transportation and telephone costs in the M&MS rate (Sec. 1-7.1b(5) and (6)) does not seem appropriate. These should be reimbursable in addition to M&MS. They are usually beyond the control and often unanticipated by the traveler.

M&MS RATES - TOO LOW:

We are also disappointed by the proposed M&MS rates. A maximum of \$33 appears unrealistic to us. If, as we believe strongly, it is true that the present \$75 per day maximum is inadequate, the present \$37.50 (one-half of the maximum presently allocated to M&MS expenses) is inadequate. Thus, a proposed M&MS rate of \$33 is a step backward. Our proposal as shown in Figure I above is a suggested alternative.

TOO BURDENSOME AND COSTLY:

There is even a more fundamental concern shared by responsible officers within CIA: the desirable revision of expense reimbursement is accompanied by a highly undesirable set of new computation rules. We are particularly concerned that the cost of administering these rules, especially with the budget restraints shared by us all, is far too high. Within CIA we have many people involved in the process of travel expense audit and reimbursement due

to our unique mission and travel responsibilities. As a result, the cost of implementing a new computation mechanism--and the time involved in training technicians and constant briefing of travelers is a very real part of that cost--takes away more than it would add. Moreover, we question whether this new method will ever allow us or anyone else to generate eventual savings by applying advancing technology to a less complex computation framework.

We can appreciate the many problems faced by your Organization in drafting these regulations and the necessity for maintaining reasonable accountability while raising many of the rates. While this measure of accountability may be achievable with these rules, most, if not all of it, will be negated by the increased costs associated with its administration. We feel that far too much detail has been given to partial days, enroute travel, rest stops, etc., than can ever be saved by the difficult controls. We would have much preferred to have seen a "flat-rate" concept implemented which would not only have eliminated the problems associated with the current HRGA's but facilitated the development and Government-wide utilization of a completely automated travel processing system. The technology for such a system has been around for a long time but not used. The reasons for this are clear. The complexities of the travel regulations and the passion for accountability have made these systems impractical to develop. Implementation of the draft regulations, in their present format, will, unfortunately, perpetuate this sad state of affairs.

See Attachment I for specific analyses.

Sincerely,

[Redacted Signature]

Richard J. Kerr
Deputy Director
for
Administration

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Attachment:
As stated

ATTACHMENT I

SUGGESTED SPECIFIC MODIFICATIONS AND QUESTIONS:

This attachment surfaces a dozen or so specific items in the proposed regulations on which we have comments. Our modifications and suggestions are self-explanatory and come from review by our Agency's interested components. If it is decided that the GSA proposal in its present form is to stand, we would ask that you give these comments your consideration.

- The new regulations represent a significant departure from the existing ones in that they will require the development of a substantial number of "in-house" regulatory issuances by user agencies. The agency responsibilities set forth in Section 1-8.1 include prescription of conditions for reimbursement and establishment of administrative procedures to ensure adherence to the intent and spirit of the new regulations. We do not see any simplification of the travel process in these proposals.
- Section 1-14.7c Determining Allowable Meal Expenses. We believe that the requirement for determining the excess of meal costs relative to the family's estimated daily food expenditures in the home will be difficult to administer and more difficult for the employee to substantiate. A pre-determined allowance is preferable to this approach.
- Section 1-10.2b(3) (b) Documentation Required. This section, which requires receipts for all transportation services except local transit systems, should allow for certification by the traveler in lieu of receipt.
- Section 1-8.5a(1) Itemization. The requirement for the itemization of each meal separately appears burdensome. We would prefer to see meal costs claimed as a total amount.
- Section 1-8.5a(3) Receipts. Rewrite to clarify that the \$25 threshold applies to meals and that lodging receipts are required in all cases.
- Section 1-8.5(3) (b) Receipts Lost or Impractical to Obtain. The substance of this section should be incorporated into the provisions of Section 1-10.2b(3) (6) as pointed out above.

- Section 1-7.4e Deductions for Meals and Lodgings Furnished. Our comments contained for Section 1-8.2b(2) above apply here also.
- Section 1-7.5b(1) Full Calendar Days. The term "prorated" as used in the first sentence of this section, is undefined. Clarification of intent is needed here.
- Section 1-7.5b(3) Partial Days off Travel With Lodging Subject to Reduced Maximum Rate. It is our understanding that this section is to be rewritten. Its present form is unnecessarily complex.
- Section 1-7.5c(2)(b) Travel of More Than 10 Hours Within a Calendar Day. We suggest this section be rewritten to provide expense reimbursement when travel extends from 7 a.m. until 7 p.m., not now provided for in the section.
- Section 1-7.5d(1) Travel of Less Than 24 Hours. The reference contained in this section to "a(3) above" appears to be in error. We cannot find this reference and believe it to be "b(3)". The entire issue of partial days is unduly difficult to follow in this draft and must be simplified.
- Section 1-7.5e Travel of More Than 24 Hours When Lodgings Are Required. This section contains the parenthetical phrase "or fraction thereof" in reference to an applicable M&MS rate. If this refers to the provisions of Section 1-7.5e(3), it should say so.
- Section 1-7.5e(3)(a) Allowance Computation for Enroute Days. This section and the paragraph immediately following are difficult to understand. In (a), multiple calculations are involved to determine subsistence applicable to the first day of travel. This seems needlessly cumbersome and should be simplified.
- Section 1-7.5f(1) Commercial Lodging. This section allows reimbursement at the single room rate. Reference to Section 1-7.5a(2)(b) for rules concerning allowable double occupancy.
- Section 1-7.6c(5) Rest Stops. The first sentence contains the phrase "several time zones or at least one duty point." It would appear that the word "or" is incorrect and should be "and."

SSA/DDA bas:20Mar86

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